| IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION | | RICHMOND DIVISION F L L L L L L L L L L L L L L L L L L |
|--|--------------------|--|
| IN RE: | | CLEAK U.S. BANKPUPTCY COURT |
| | CHAPTER 11 | |
| CIRCUIT CITY STORES, INC., ET AL | CASE NO.: 08-35 | 653 |
| Debtors | | |
| | Jointly Administer | red |

RESPONSE TO DEBTOR'S TWENTY-FIFTH OBJECTION TO CLAIMS (DISALLOWANCE OF CERTAIN CLAIMS FOR PAID TIME OFF)

The claimant, John W. Walker, files his response to the Debtor's Twenty-Fifth Objection to Claims (Disallowance of Certain Claims for Paid Time off) and states as follows:

- 1. The claimant's name is John W. Walker, 465 McCracken Road, Lake Helen, Florida 32744 and the claim is for paid time off (PTO) in the amount of \$2,087.11. (Claim no.: 5214).
- 2. The paid time off was earned by me, John W. Walker on a biweekly basis. Time off was earned in hours and as of the January 8, 2009 the claimant had earned 113.85 hours at \$18.47 per hour. See attached pay stub as Exhibit "A".
- 3. When time off was taken by me, John W. Walker, I was paid equal to my hourly wage for any time taken.
- 2. The notice was never given to me, John W. Walker, an outside TV Technician, in November, as the Debtors state in their objection filed with this court.
 - 3. The only notice given to me is attached as Exhibit "B", which states:
 - "As a result of the bankruptcy filing, Circuit City will not pay Associates unused PTO hours upon termination of employment. To the extent an employee is terminated and at the time of termination has accrued, but has not used PTO, such employee will not receive payment of amounts on account of such PTO at the time of termination. Instead, during the bankruptcy proceeding, each employee (current and former) will receive a Proof of Claim Form. The Proof of Claim Form may be completed by each employee for any "claims", including, without limitation, unpaid PTO at the time the employee receives the Proof of Claim Form."
- 4. This notice was sent to me via email on or about January 16, 2009, not in November as the Debtor's objection states.

- 5. By reading of the Debtor's own statement, I believe I am entitled to receive the paid time off I earned while an employee of the Debtor. Claim no.: 5214 filed in this matter.
- 6. Also stated in Exhibit "B", which was sent to claimant in January, 2009, the Claimant/Employee could have requested time off (PTO time), if approved by a supervisor. There is no mention of not being paid for this time off in the letter sent to claimant in January 2009.
- 7. If claimant, John W. Walker could have taken time off prior to the company closing its doors, claimant believes he would have been paid for his time off.
- 8. As a result of the Debtor failing to notify claimant of any new company policy changes prior to January, 2009, claimant was never allowed to use and get paid for his earned paid time off (PTO time).
- 9. Claimant believed in November and December of 2008 that nothing with his job and/or paid time off had changed. It wasn't until the letter attached as Exhibit "B" was received in January, 2009 that claimant believed he would not be paid for the leave time <u>unless</u> he filed a Proof of Claim with this court. The claimant, John W. Walker, at no time prior to receiving this objection was ever notified by the debtor that paid time off did not have any cash value.
- 10. Claimant, John W. Walker requests this court enter an order stating the Debtor, Circuit City Stores, Inc., must pay the requested paid time off as stated on Claim no.:5214 in the amount of \$2,087.11 to claimant, John W. Walker, 465 McCracken Road, Lake Helen, Florida 32744.
- 9. Claimant, John W. Walker waives his right to attend a hearing and wishes for the Bankruptcy Judge to decide the objection and response. If such a hearing is required, Claimant, John W. Walker requests to attend via telephonically, as the claimant resides in Florida and it would create a financial hardship on claimant if he was required to attend a hearing in Virginia.

I HERBY CERTIFY that a copy of this response was mailed to the debtor's attorneys, Skadden, ARPS, Slate, Meagher, & Flom, LLP, Attn: Gregg Galardi, One Rodney Square, PO Box 636, Willmington, DE 19899; McGuirewoods, LLP, Attn: Dion W. Hayes, One James Center, Richmond, VA 23219 and to Skadden, ARPS, Slate, Meagher, & Flom, LLP, Attn: Chris L. Dickerson, 155 North Wacker Driver, Chicago, IL 60606 on this 5th day of August, 2009. The original was mailed via certified mail to the Bankruptcy Court, 701 East Broad Street, Room 4000, Richmond, VA 23219.

John W. Walker

465 McCracken Road

Lake Helen, Florida 32744

(386) 848-1313 cellphone

(386) 228-2147 home telephone

Statement of Earnings Details

| Employee Details | | Payroll Details | | | |
|---|--|------------------------------|-----------------|--|--|
| Employee ID | 10124651 | Pay Group | HLF - EC Hourly | | |
| Name | John W Walker | Pay Begin Date | Dec 18, 2008 | | |
| Home Address | 465 Mccraken Rd | Pay End Date | Dec 31, 2008 | | |
| | Lake Helen, FL 3274 | Advice # | 3236810 | | |
| Company | Circuit City Stores, Inc | Pay Date | Jan 08, 2009 | | |
| Payroll Address | 7201 Hewitt Associates | Tax Details | | | |
| | Drive Charlotte, NC 28262 1 (800) 288-6353 | FL Tax Marital Status Single | | | |
| | | FL Allowances | 0 | | |
| Business Unit | USANA | FL Addl Withholding | | | |
| Dusiness Chit | | Federal Tax Marital | Single | | |
| Department 007300 - WC (Non CA) Home SRV FL Sanford | , | Status | | | |
| | Federal Allowances | 1 | | | |
| | I L Dailloid | Federal Addl | | | |
| | | Withholding | | | |

| Hours & Earnings | | | | | | |
|-----------------------|-----------------|----------------------|-----------------------|---------------------|-----------|-----------------|
| Description | Current Rate | | rent ours | Current Earnings | YTD Hours | YTD Earnings |
| Regular Hourly | 18.47 | 5 | 7.25 | 1,057.41 | 57.25 | 1,057.41 |
| Paid Time Off | 18.47 | 2 | 24.00 | 443.28 | 24 | 443.28 |
| | | į. | 1.25 | | 1 m m mm | 1.500.69 |
| Before Tax Deductions | | After Tax Deductions | | | | |
| Description | Current | YTD | Desc | ription | Current | YTD |
| Employee Dental | 6.78 | 6.78 | Supple: Life Ins | mental surance | 15.28 | 15.28 |
| Employee Medical | 48.92 | 48.92 | Long T Disabil | | 10.65 | 10.65 |
| 401K | 75.03 | 75.03 | | 1 4 p 4 3 x 1 | 35.45 | <u> </u> |
| <u> </u> | E 1987 / 3 | Imputed Income | | | | |
| Taxes | | | Curren | t | | 0.00 |
| Description | Current | YTD | YTD | | | 0.00 |
| Fed Withholding | 154.24 | 154.24 | PTO Plans | | | |
| Fed MED/EE | 20.95 | 20.95 | Description | | Balance | |
| Fed OASDI/EE | 89.59 | 89.59 | Current Year (CY) PTO | | | |
| H 58 504 H 64 4 5 1 | TO THE WAY IN A | 244 | + Earn | ed: | | 206,55 |
| | | | - Taker | n: | | 98.50 |
| | | | Ending | Balance | | 113.85 |
| | | | _ | Year (PY) PT | О | |
| | | | + Earn | • , | | 0.00 |



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| | | - Taken: | | | 0.00 |
|---------|--------------------|------------------------------|--------------------|-------------------------|----------|
| | | Ending Balance | | | |
| | Total Gross | Federal Taxable Gross | Total Taxes | Total Deductions | Net Pay |
| Current | 1,500.69 | 1,369.96 | 264.78 | 156.66 | 1,079.25 |
| YTD | 1,500.69 | 1,369.96 | 264.78 | 156.66 | 1,079.25 |



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ANSWERS TO COMMON QUESTIONS ABOUT CIRCUIT CITY'S LIQUIDATION ANNOUNCEMENT

For additional information, please read the press release regarding this announcement. You can find it by visiting http://investor.circuitcity.com and clicking on the link for "Breaking News".

Statements made in this document may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are subject to risks and uncertainties. These forward-looking statements include, without limitation, statements regarding the company's expectations concerning the bankruptcy process. Actual results may differ materially from those included in the forward-looking statements due to a number of factors, including, without limitation, developments in the bankruptcy proceedings, the results of the liquidation sales and other matters.

1. What's going on at Circuit City?

- Due to challenges to our business and the continued bleak economic environment, Circuit City is going out of business and the company's assets will be liquidated to pay off creditors.
- The process was extremely difficult and we were left with no other choice but to liquidate. Circuit
 City had a proud heritage of serving the public for 60 years and we deeply regret the impact this
 decision will have on our associates, our customers and the communities where we have
 operated stores and other facilities.
- We had hoped to be able to emerge from Chapter 11 Bankruptcy protection as a stronger, more competitive company and we made significant progress during the reorganization to improve our business. Unfortunately, the economic climate is so poor that we have no choice other than liquidation.
- Liquidators will start arriving in our 567 stores across the U.S. over the weekend, and closing sales will start as early as Saturday, January 17. Closing sales will run as long as it takes to sell existing inventory, but are expected to wrap up by the end of March. When the liquidation sales are completed, the stores will be closed.
- At the company's corporate offices in Richmond, Va., a small staff will remain on duty during the completion of the liquidation process; most associates will be relieved of their duties immediately.
- In some locations, a specific amount of notice regarding this change may be required by state or federal law. Regardless we are informing all locations as soon as possible.
- Associates at our company headquarters will be asked to come back on Monday, January 19, to find out more about their status and to retrieve their personal belongings.

2. Are you also shutting down your operations in Canada?

No, our Canadian operations will continue. They are not affected by the liquidation of Circuit City's U.S. operations. The Canadian operations employ approximately 3,000 associates.

3. What happens to the company's stock?

The company does not anticipate any value will remain from the bankruptcy estate for the holders of the company's common equity, although this will be determined in the continuing bankruptcy proceedings.

4. Are Circuit City's extended warranties affected by the liquidation?

No. Circuit City Advantage Protection Plans® (extended warranties) have been backed by third-party independent companies for more than 15 years and as a result, are not impacted by Circuit City's closing.

Currently, all Circuit City Advantage Protection Plans are fully backed by the Assurant Solutions companies. Assurant Solutions operates as Federal Warranty Service Corporation, Sureway, Inc.,





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and United Service Protection, Inc. Assurant Solutions is part of Assurant, Inc. (NYSE: AIZ), and its extended service contacts are backed by an Assurant insurance subsidiary rated A "Excellent" by A.M. Best Co.

5. Will Circuit City stores and your Web site continue to accept Circuit City gift cards?

Yes, customers holding Circuit City gift cards may redeem them at full value at our stores during the liquidation sales. Once the stores are closed and the company is out of business, the gift cards will have no value.

6. When will Circuit City's Web site, www.carcanchy.com, go offline?

Circuit City's Web site and call center will continue to operate through the weekend of January 17-18, 2009.

7. When will the liquidation sales begin?

Liquidation sales begin as early as Saturday, January 17, 2009, and will last as long as it takes to sell through the merchandise at each of the stores. We expect the sales to wrap up by the end of March 2009.

8. What payment types will be accepted in the liquidation stores?

Stores in liquidation will accept cash, Circuit City gift cards and most credit cards. Personal checks will not be accepted. All sales are final.

9. What about returns and refunds?

Customers can return products they purchased prior to January 16 for a 14-day period for exchange or refunds. All other terms of return policy are in force.

When closing sales begin, on or around January 17, 2009, all sales will be final.

Associate Concerns

1. How will this affect Associates' paychecks and direct deposits?

Paychecks will continue to be issued through your employment with Circuit City. If you experience any problems, contact the Associate Service Center at 1-800-288-6353.

2. Will banks continue to accept payroll checks issued by Circuit City?

We expect banks will continue to accept payroll checks issued by Circuit City. In the unlikely event you do have difficulties please contact your store manager. Every paycheck issued by Circuit City will be made good.

3. Will I be eligible for unemployment benefits?

Please contact your State Employment Commission with questions regarding general eligibility/filling requirements and information related to your specific situation.

4. What happens to my 401(k)?



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The funds in the 401(k) are held in trusts, annuity contracts or custodial accounts for the sole use of plan participants. Neither Circuit City nor its creditors may access those funds.

5. Can associates still take planned vacations?

All vacation requests will still require advance notice and permission from your supervisor; approval will be dependent on the operating needs of each department or store.

6. Are there any changes to Chaute Objuryabilitims of (DTO) policy2

As a result of the bankruptcy filing, Circuit City will not pay Associates unused PTO hours upon termination of employment. To the extent an employee is terminated and at the time of termination has accrued, but has not used PTO, such employee will not receive payment of amounts on account of such PTO at the time of termination. Instead, during the bankruptcy proceeding, each employee (current and former) will receive a Proof of Claim Form. The Proof of Claim Form may be completed by each employee for any "claims", including, without limitation, unpaid PTO at the time the employee receives the Proof of Claim Form.

7. Will associates be reimbursed for expense reports that were filed prior to the filing?

Yes. We have received authority to make such payments.

8. What about the employee stock purchase plan (ESPP)?

The ESPP has been suspended. Associates currently enrolled in the plan should have received a letter that was mailed November 13 that explained that deductions since October 1, 2008, have not been used to purchase stock and will be refunded to participants. As of November 10, no new enrollees will be accepted into the plan.

9. What happens to the tuition reimbursement and adoption assistance programs?

Both of these programs have been suspended. We intend to honor the tuition reimbursement program for associates we currently have on record for the current semester (inclusive of November 10) who are properly enrolled in the program, but will not provide assistance for future terms.

10. Can we still use our associate purchase discount?

No. Effective immediately, the associate purchase discount is no longer in effect.

11. What happens to the Pension Plan?

Approximately 6,000 current associates are eligible for the plan which is held in a trust with Wachovia Bank, N.A. We will continue to pay benefits under the pension plan.

12. I have questions about the "Notice of Deadline for Filing Proofs of Claim" that I received in the mail. What do I do?

An FAQ about the Notice is accessible via a direct link to "Chapter 11 News Archive" from Company Headlines on ccity.com.